

COMMONWEALTH OF VIRGINIA

DELEGATE DANNY MARSHALL, III Chair
SENATOR MAMIE LOCKE, Vice-chair
ELIZABETH A. PALEN, Executive Director



POCAHONTAS BUILDING
900 EAST MAIN STREET, 10th FLOOR
RICHMOND, VIRGINIA 23219
(PHONE) 804-698-1875 Director

epalen@dls.virginia.gov
<http://dls.virginia.gov/commissions/vhc.htm>

VIRGINIA HOUSING COMMISSION

SUMMARY

Evictions Sub Workgroup
Tuesday, June 19, 2018 - 10:00 a.m.
House Room 1, The Capitol

Members Present: Laura Lafayette, *Governor Appointee*; Chip Dicks, *Virginia Association of Realtors*; Martin Johnson, *Virginia Realtors*; Christie Marra, *Virginia Poverty Law Center*; Helen Hardiman, *Hardiman Law*; Martin Wegbreit, *Central Virginia Legal Aid Society*; Ivan Jecklin, *Thalheimer Realty*; Brian Gordon, *Apartment & Office Building Association of Metro Washington*; Andrew Clark, *Home Builders Association of Virginia* **Not Present:** Kelly Harris-Braxton, *Virginia First Cities*; Orlando Artze, *Richmond Housing Authority*

I. Welcome and Call to Order, 10:00 a.m., Brief Remarks and Introduction, Elizabeth A. Palen

- a. Detailed the goal of the meeting to find a reasonable solution for the housing crisis in Virginia.

II. Should there be more than one right of redemption if the tenant pays in full?

The floor was open for all the sub workgroup to comment on the following questions:

- a. Christie Marra, Virginia Poverty Law Center
 - i. Currently, a tenant can only use the right of redemption once every 12 months and must pay all dues and fines before the return date to court. The proposal suggested was to extend the period of time which the tenant has to exercise the right of redemption, in addition to the number of times the right can be used annually. Marra proposed to extend the due date of payment to 5 p.m. the day before eviction and allow the exercise of this right to be limitless.
 - ii. Benefits include the tenant not becoming homeless and the landlord not having to find a new tenant or a loss in profit from the previous tenant.
 - iii. The idea of making the use of redemption unlimited isn't to cater to the few attempting to 'game' the system, but rather allowing for those in unusual circumstances to have the ability to use it three or four times a year. There is viable middle ground between once every year and using the right of redemption twelve times a year.

DELEGATE DANNY W. MARSHALL
DELEGATE DAVID L. BULOVA
DELEGATE BETSY CARR
DELEGATE BARRY D. KNIGHT
DELEGATE CHRISTOPHER K. PEACE

SENATOR MAMIE E. LOCKE
SENATOR GEORGE L. BARKER
SENATOR WILLIAM M. STANLEY, JR.

MARK K. FLYNN
LAURA D. LAFAYETTE
LAWRENCE PEARSON

- iv. Limiting the right of redemption has no advantages and unlimiting has no disadvantages. Advantage of not redeeming before court date, the right of redemption would automatically set aside/postpone the writ of possession.
- b. Helen Hardiman, Hardiman Law
 - i. Reiterated Marra's point that the right of redemption is cheaper and discussed how this can affect unlawful detainer's as well. By having the ability to use the right of redemption, a renter can avoid receiving an eviction record damaging to his or her future rental applications.
- c. Brian Gordon, Apartment and Office Building Association
 - i. Stated "anything to reduce evictions is beneficial to all parties." Believes there is room for flexibility to better the right of redemption law in VA. Questioned clarity of writ of possession and unlawful detainers, which Helen clarified that you only need one unlawful detainer. You do not need to refile an unlawful detainer every time a right of redemption is used within the year.
- d. Ivan Jecklin, Weinstein Properties
 - i. Asked a point of clarification regarding Marra's proposal, which she cleared stating the limit of once every year be removed from current laws.
 - ii. From a landlord's point of view, unlimited right of redemptions does not seem like a viable solution because tenants are "just kicking the can further down the road." The tenants are in a contractual agreement, and they cannot use the right of redemption to continually avoid payments. Argued that vendors and smaller landlords need those payments monthly, consistently and on time to keep their own business and avoid going in debt. By allowing unlimited right of redemptions, the aftereffect of becoming a chronically late rent payer will trickle down and affect the vendors' payments and business.
- e. Marty Wegbreit, Central Virginia Legal Aid Society
 - i. Advocated for the approval of the proposal, which is a "win-win situation." A built-in disincentive to 'gaming' the system and becoming a habitually late payer is the tenant's necessity to still need to pay the fees, court costs, and attorney fees (if they hired one). Tenants will need to pay significant money, so they will not want to rely on the use of the right of redemption every month.
 - ii. Entertained the idea of legally incorporating that landlords work out an agreement with tenants, which he often suggests to his clients now facing evictions.
 - iii. Combated Ivan's point of destroying "mom and pop businesses" that the amendments would be made to Virginia Residential Landlord and Tenant Act which protects landlord businesses and does not affect "mom and pop businesses."

- f. Chip Dicks, Virginia Association of Realtors
 - i. Questioned the usefulness of the right of redemption proposal. Does not seem like people even use it once a year, so why would people use it twelve times a year if made feasible?
- g. Andrew Clark, Home Builders Association of Virginia
 - i. Agreed that allowing unlimited redemption would put tenants deeper in the draining money hole and put them in a repetitive cycle of missing payments.
- h. Steve Brown, Hampton Housing Authority Chair
 - i.elayed his experiences of witnessing compassion from landlords to tenants work out payment arrangements.
 - ii. Drew attention to the need to talk about the root cause of eviction, maybe how their parents handled financial crisis, did they grow up going through evictions? Why are we seeing such high evictions in our Commonwealth? In Hampton, the housing authorities try to work with their residents as much as possible and that same willingness to help needs to be reflected more throughout the state.

Both Marra and Hardiman stated their understanding of the raised concerns, but that generally, people want to pay their rent on time and not fall behind into the detrimental cycle of being constantly behind in payment. Work group agreed to further the study proposal

III. Should we lengthen the eviction process?

- a. Marty Wegbreit, Central Virginia Legal Aid Society
 - i. Eviction process can be as short as 42 days, but as well-known, it can be much longer. Suggested that instead of five-day pay or quit notice, maybe extend the period to 14 days?
- b. Christie Marra, Virginia Poverty Law Center
 - i. Posed the question of whether extending the pay or quit time is going to benefit the tenant? VA Poverty Law Center thinks it will because a couple days can make a very big difference to these tenants frantically searching for money. Need to look at the new policy from many different angles because anyone who is a renter can have an unexpected loss of a job, catastrophic illness, or death of a family member. Also need to be mindful that really anyone can find themselves in a situation like this, and it is important that everyone is protected by the law as there is not just one type of renter or evictee.
 - ii. Eviction diversion program is an example of preventative program that is being worked on. Change of appeal bonds which effectively eliminates the possibility of appealing property of possession.
- c. Ivan Jecklin, Weinstein Properties

- i. Interested in looking at specific statistics around the proposal of extending the pay or quit data.
 - ii. Agrees with Andrew Clark, but does not think adding more time will help the issue. Believes that extending the time of eviction will not be helpful or useful as tenants will use the money towards other things such as paying their credit cards, car payments etc.
- d. Andrew Clark, Home Builders Association of Virginia
 - i. Need to understand the demographics of families and individuals who are being evicted before attempting to find a solution. Understanding the demographics will be able to better the solution and find one that best suits the needs of the individuals.
 - ii. Brought up the issue of NIMBYs completely against affordable housing, apartments. The negative connotation associated when hearing “affordable housing” is something that needs to change and be destigmatized before any policy can be made and be effective.
- e. Chip Dicks, Virginia Association of Realtors
 - i. Disagrees with the proposal. Believes that changing the time-period will inevitably allow tenants to use the extended period-of-time to pay for other things, further stalling/avoiding the payment of rent.
- f. Helen Hardiman, Housing Opportunities Made Equal of Virginia
 - i. Reiterated that the extra time is not used to take advantage, but rather hustle to find the money from any source possible. Does not want to build a policy around the few, 5%, that are trying to game the system.
 - ii. Useful tool is having a legal aid or law student outside of the courtroom to help people, who might be unaware of the legal dealings of an eviction to better fair deal when called to court. Another suggestion is expunging old eviction records, people who got turned down for evictions years ago and since have stellar renting records. Additionally, specific screening of conviction history of people with non-criminal activities.

Group addressed the need for more accurate data, which Marra said the Virginia Poverty Law Center is working with VCU’s L. Douglas Wilder School of Government and Public Affairs to get more statistics. All agreed to continue the discussion.

IV. How can we facilitate or incentivize the rental properties by landlords to low-income and moderate-income individuals?

- a. Laura Lafayette, Richmond Association of Realtors.
 - i. Need to make sure people are not just being shuffled around from one area to another, but really focusing on the improvement of the quality of housing. Continue to have conversation around right of redemption, pay or quit, an eviction diversion program, expunging old convictions, and criminal screenings.

The meeting was adjourned at 12:00 p.m. The sub-workgroup will meet again on September 5, 2018.